



# BT EQUIPMENT LEASING, INC.

A SUBSIDIARY OF BANKERS TRUST COMPANY

280 PARK AVENUE, NEW YORK, N. Y. 10017

Tel. 212/692-2040

May 11, 1978

RECORDATION NO. 9285 Filed & Recorded

REGISTERED MAIL

MAY 17 1978 8 40 PM

INTERSTATE COMMERCE COMMISSION

RECEIVED  
MAY 17 3 36 PM '78  
I.C.C.  
FEE OPERATION BR.

Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

Dear Sir:

In accordance with the provisions of Section 20C of the Interstate Commerce Act and the Rules and Regulations approved and prescribed by the Interstate Commerce Commission pursuant thereto, there is herewith submitted for filing and recordation four executed counterparts of an Equipment Lease Agreement ("Lease") dated as of March 17, 1978 (including Exhibits A, B, C, D and F thereto) between BT Equipment Leasing, Inc., Lessor, whose address is 280 Park Avenue 9W, New York, N.Y. 10017 and Maryland and Pennsylvania Railroad Company, 490 E. Market Street, York, Pennsylvania 17403.

The Lease covers 100 new 70 ton, 50'6" general purpose box cars manufactured by Emons Railcar Corp., bearing Lessee's car numbers MPA 7500 to 7599 (both inclusive).

The following legend will be stencilled on each box car:

BT EQUIPMENT LEASING, INC.  
Owner - Lessor

Enclosed for payment of the filing fee is our check in the amount of \$50.00.

You are requested to return one original document with filing data noted thereon to:

BT EQUIPMENT LEASING, INC.  
280 Park Avenue, 9W  
New York, New York 10017

Thank you for your cooperation.

8-137A-74  
No. MAY 17 1978  
Date  
Fee \$ 50.00

Respectfully submitted,  
BT EQUIPMENT LEASING, INC.

CC Washington, D. C.

by   
Vice President

Enclosure

STATE OF NEW YORK )

SS. i

COUNTY OF NEW YORK )

On this 24th day of April, 1978, before me personally appeared JOHN DUNCAN, to me personally known, who being by me duly sworn, says that he is the Vice President of BT EQUIPMENT LEASING, INC., the Corporation described in and which executed the foregoing instrument; that he knows the seal of said Corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Corporation; and that he signed his name thereto by like order.

Stephen J. Crocker  
Notary Public

STEPHEN I. AUSTER  
Notary Public, State of New York  
No. 41-4627645  
Qualified in New York County  
Commission Expires March 30, 1997

My commission expires MARCH 30, 1980

COMMONWEALTH OF PENNSYLVANIA )

SS.:

COUNTY OF YORK )

On this 17th day of April, 1978, before me personally appeared JOSEPH W. MARINC, to me personally known, who being by me duly sworn, says that he is the Vice President of MARYLAND AND PENNSYLVANIA RAILROAD COMPANY, the Corporation described in and which executed the foregoing instrument; that he knows the seal of said Corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Corporation; and that he signed his name thereto by like order.

*Edgar J. Horvath*  
Notary Public

MY COMMISSION EXPIRES  
JANUARY 31, 1981  
YORK YORK COUNTY PA.

My commission expires

*Jan 31, 1981*

**INTERNATIONAL COMMERCE COMMISSION**

3. Representations and Warranties of Lessor.

(a) LESSOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE TITLE OR OWNERSHIP, CONDITION, QUALITY, DURABILITY, SUITABILITY, ADEQUACY, MERCHANTABILITY, FITNESS FOR USE OR FOR A PARTICULAR PURPOSE, DESIGN, OPERATION, USE OR PERFORMANCE OF ANY EQUIPMENT OR ANY OTHER REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY EQUIPMENT or otherwise hereunder except that Lessor represents and warrants that Lessor has the power and authority to execute and carry out this Agreement.

(b) Nothing contained in this Section shall be deemed to limit Lessee from availing itself of any representations, warranties or agreements of any Seller. Lessee acknowledges and agrees that, except as otherwise specifically provided herein, Lessor shall have no responsibility or liability to Lessee or any other Person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Equipment or by any inadequacy thereof or deficiency or defect therein or by any other circumstance in connection therewith; (ii) the use, operation or performance of any Equipment or any risks relating thereto; (iii) any interruption of service, loss of business or anticipatory profits or consequential damages; or (iv) the delivery, installation, erection, testing, programming, adjusting, operation, servicing, maintenance, repair, improvement or replacement of any Equipment.

4. Representations and Warranties of Lessee. In order to induce Lessor to enter into this Agreement and to lease the Equipment to Lessee, Lessee makes the following representations and warranties which shall survive the execution and delivery of this Agreement:

(a) Lessee: (i) is a duly organized and validly existing corporation in good standing under the laws of the State of its incorporation and has the corporate power and authority to own its property and assets and to transact the business in which it is engaged; (ii) is duly qualified or licensed as a foreign corporation in good standing in every jurisdiction (wherein the Equipment will be located) in which the nature of the business in which it is engaged makes such qualification or licensing necessary; and (iii) has the corporate power and authority to execute, deliver and carry out the terms and provisions of this Agreement and each of the other instruments and agreements (the "Other Agreements") delivered in connection with this Agreement.

(b) Neither the execution and delivery of this Agreement or any of the Other Agreements, nor the consummation of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will contravene any provision of law, statute, rule or regulation to which Lessee is subject or any judgment, decree, franchise, order or permit applicable to Lessee, or will conflict or will be inconsistent with, or will result in any breach of, any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, security interest, charge or encumbrance upon any of the property or assets of Lessee pursuant to the terms of, any indenture, mortgage, deed of trust, agreement or other instrument to which Lessee is a party or by which it is bound or to which it is subject, or violate any provision of the Certificate of Incorporation or By-Laws of Lessee.

(c) This Agreement has been duly authorized, executed and delivered by Lessee and constitutes the legal, valid and binding obligation of Lessee enforceable in accordance with its terms. Each of the Other Agreements will be, at the time of the delivery thereof, duly authorized, executed and delivered by Lessee and constitute the legal, valid and binding obligations of Lessee enforceable in accordance with their respective terms.

(d) No approval, authorization or consent of any governmental or public body or authority is necessary to enable Lessee to execute, deliver and carry out the terms and provisions of this Agreement and the Other Agreements except those which have been duly obtained and certified copies thereof delivered to Lessor.

(e) Any Equipment acquired by Lessor pursuant to the Purchase Order will be free and clear of any claims, mortgages, pledges, liens, security interests or other charges or encumbrances of any kind in favor of any Person other than Lessor.

(f) Either: (i) Lessee is the record owner of the real property constituting the Equipment Location and there is no mortgage, lien or other encumbrance existing with respect to such real property; or (ii) there has been duly executed and delivered to Lessor a Real Property Waiver by each owner, mortgagee, lienor or other encumbrancer of such real property.

(g) Lessee's chief place of business is located in the State specified in Exhibit A

5. Conditions Precedent to Lessor's Obligations. The obligations of Lessor to acquire the Equipment from Seller and to lease the Equipment to Lessee are subject, ~~at the time of the entering into by Lessor with Seller of any commitment to acquire the Equipment and at the time of each delivery of any Equipment to Lessor and at the time of each payment by Lessor to Seller of Acquisition Cost of any Equipment (all except as hereinafter indicated), to the satisfaction of the following conditions:~~ 91  
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(a) At or prior to the earliest of any such times and thereafter upon the request of Lessor, Lessor shall have received from counsel for Lessee satisfactory to Lessor, a favorable opinion, addressed to Lessor, to the effect stated in Subsections (a) through (e) of Section 4 and covering such other matters incident to the transactions herein contemplated as Lessor may request.

(b) There shall exist no condition, event or act which would constitute an Event of Default and no condition, event or act which, with the giving of notice or lapse of time, or both, would constitute such an Event of Default.

(c) All representations and warranties by Lessee contained herein or otherwise made in writing in connection herewith shall be true and correct with the same effect as though the representations and warranties had been made on and as of the date of the entering into of such commitment or the date of such delivery or the date of such payment, as the case may be.

(d) All corporate and legal proceedings and all documents in connection with the transactions contemplated

by this Agreement shall be satisfactory in form and substance to Lessor, and Lessor shall have received all information and copies of all documents, including records of corporate proceedings, which Lessor may reasonably have requested in connection therewith, such documents where appropriate to be certified by proper corporate or governmental authorities.

(e) The applicable law or the applicable rules or regulations of any governmental or public body or authority shall not: (i) prohibit Lessor from acquiring the Equipment and/or leasing same to Lessee; or (ii) after the date hereof, have been changed so as to impose doing business restrictions or other requirements upon Lessor which Lessor shall have determined to be too burdensome.

(f) The additional conditions (if any) set forth in Exhibit A.

6. Lease Term. The term of the Lease of any Equipment shall commence and terminate in the manner provided in Exhibit A; provided, however, (i) the term of the Lease of any Equipment may be earlier terminated in the manner specified in certain other provisions of this Agreement and (ii) the obligations of Lessee hereunder shall commence as of the date hereof.

7. Rent; Net Lease.

(a) Lessee shall pay Lessor rent for the Equipment in the amounts, at the times, in the manner and as otherwise provided in Exhibit A. To the extent legally enforceable, Lessee shall pay Lessor interest at the Premium Rate on any installment of rent the payment of which is more than 15 days overdue.

(b) All payments of rent and other payments to be made by Lessee to Lessor pursuant to this Agreement shall be paid to Lessor in lawful money of the United States in New York Clearing House funds at the place specified in or pursuant to Exhibit A.

(c) Lessee's obligation to make rent payments and to make the other payments pursuant to this Agreement shall be absolute and unconditional and shall not be affected by any circumstance whatsoever, including (without limitation) any (i) set off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor, the Seller or any other Person for any reason whatsoever; (ii) defect in the title, condition, design, operation, or fitness for use of, or any damage to or loss or destruction of, any Equipment, or any interruption or cessation in the use or possession thereof by Lessee for any reason whatsoever; or (iii) insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee. Each payment of rent or other payment made by Lessee hereunder shall be final and Lessee will not seek to recover all or any part of such payment from Lessor for any reason whatsoever. Lessee hereby waives, to the extent permitted by applicable law, any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Agreement except in accordance with the express terms hereof. If for any reason whatsoever this Agreement shall be terminated in whole or in part by operation of law or otherwise (except as specifically provided herein), Lessee nonetheless agrees to pay to Lessor an amount equal to each rent payment at the time such payment would have become due and payable in accordance with the terms hereof had this Agreement not been terminated in whole or in part.

(d) The lease of Equipment hereunder is a net lease and the rent shall be absolutely net to Lessor, and all costs and expenses and obligations of every kind and nature relating to the Equipment shall be paid by Lessee, except as otherwise expressly provided herein.

8. Title of Lessor; Possession and Use of the Equipment; Subletting, Liens, Assignment, etc. Prohibited.

(a) Title to the Equipment shall at all times remain in Lessor. Lessee, at its own cost and expense, shall protect and defend the title of Lessor.

(b) Lessee shall have no rights, interests or property in the Equipment except the use and quiet enjoyment thereof as Lessee in accordance with the terms and provisions of this Agreement. Unless an Event of Default shall have occurred and be continuing, Lessee may hold, possess and use the Equipment in the ordinary course of the regular business conducted by Lessee.

(c) The Equipment shall be located at the Equipment Location and shall not be removed therefrom without the prior written consent of Lessor.

(d) Without the prior written consent of Lessor, Lessee shall not (i) sublease, part with possession of, or otherwise transfer or dispose of, any Equipment; (ii) contract, create, incur, assume or suffer to exist any claim, mortgage, pledge, lien, security interest or other charge or encumbrance of any kind upon or with respect to any Equipment or any of its rights under this Agreement; or (iii) sell, assign, transfer or otherwise dispose of any of its rights under this Agreement.

(e) Upon the request of Lessor at any time, Lessee, at its own cost and expense, shall cause the Equipment to be legibly marked in a reasonably prominent location with a plate, disk or other marking showing Lessor's ownership of the Equipment.

(f) Lessee shall comply fully with all statutes, ordinances and regulations relating to the use and operation of the Equipment and with all conditions and provisions of any policies of insurance relating to the Equipment and, if such compliance requires changes or additions to be made on or to any Equipment, such changes and additions shall be made by Lessee at its own cost and expense.

(g) Lessee shall ~~maintain the Equipment in good repair and condition only by personnel authorized by Lessee~~ and (ii) use every reasonable precaution to prevent loss or damage to the Equipment.

9. Improvement and Repair of the Equipment. Lessee shall pay all costs, expenses, fees and charges in connection with the use, operation and maintenance of the Equipment except only those that are included by Lessor in the determination of Acquisition Cost. Lessee, at its own cost and expense, shall keep the Equipment in good repair, condition and working order and shall furnish any and all labor, parts and other servicing required for that purpose. Except as required by Section 8 (f), Lessee shall not make any material alterations to any Equipment without the prior written

consent of Lessor. All parts, attachments, accessories, equipment and repairs at any time made to or placed upon any Equipment and all replacements for any Equipment shall immediately become the property of Lessor and shall be deemed to be incorporated in the Equipment and subject to the terms and provisions of this Agreement as if originally leased hereunder.

10. Insurance. Lessee shall at all times carry and maintain on the Equipment, at its own cost and expense, insurance in such amounts, against such risks (including, without limitation, public liability insurance for bodily injury and property damage), in such form and with such insurance companies as shall be satisfactory to Lessor from time to time. Lessee shall pay the premiums therefor and deliver to Lessor the original policies of insurance (or other evidence satisfactory to Lessor) of such insurance coverage. The proceeds of insurance payable as a result of loss of or damage to any Equipment shall be applied, in the sole discretion of Lessor, toward either (i) the replacement, restoration or repair of the Equipment which may be lost, stolen, destroyed or damaged or (ii) payment of the obligations of Lessee hereunder. Lessee hereby irrevocably appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payment of, and execute and endorse all instruments, documents, checks or drafts received in payment for loss or damage under any insurance policy. Jm  
CW

11. Taxes, Indemnification and Expenses.

(a) Lessee shall indemnify, protect, save and keep harmless Lessor from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements of whatsoever kind and nature, including (without limitation) legal fees and expenses, imposed on, incurred by or asserted against Lessor in any way relating to or arising out of this Agreement or any of the Other Agreements or the Equipment including (without limitation) the manufacture, purchase, acceptance or rejection under the Purchase Order, ownership, delivery, possession, use, operation, condition, performance, suitability, durability, quality, adequacy, maintenance, registration, loss, seizure, requisition, confiscation, lease, sale, return or other disposition of any Equipment (including, without limitation, latent and other defects, whether or not discoverable by Seller, Lessor or Lessee, and any claim for patent, trademark or copyright infringement).

(b) Lessee shall indemnify, protect, save and keep harmless Lessor from and against any and all license and registration fees and all sales, use, personal property, stamp or other taxes, levies, imposts, duties, charges or withholdings of any nature (together with any penalties, fines or interest thereon) imposed against Lessor, the payment of any moneys due Lessor hereunder, Lessee or any Equipment by any federal, state or local government or taxing authority upon or with respect to any Equipment, or upon the purchase, ownership, delivery, leasing, possession, use, operation, return or other disposition thereof, or upon the rentals, receipts or earnings arising therefrom, or upon or with respect to this Agreement or any of the Other Agreements (excluding, however, federal or New York State taxes on, or measured by, the net income of Lessor), unless, and to the extent only, that any such tax, levy, impost, duty, charge or withholding is being contested by Lessee in good faith and by appropriate proceedings so long as such proceedings do not involve any danger of the sale, forfeiture or loss of any Equipment or any interest therein. In case any report or return is required to be made with respect to any obligation of Lessee under this Subsection or arising out of this Subsection, Lessee will either make such report or return in such manner as will show the ownership of the Equipment in Lessor and send a copy of such report or return to Lessor or will notify Lessor of such requirement and make such report or return in such manner as shall be satisfactory to Lessor. Lessee shall have no obligation under this Subsection with respect to any taxes to the extent that the same have been included by Lessor in the determination of Acquisition Cost.

(c) The indemnities contained in this Section shall (i) ~~apply equally to any Equipment or any part thereof~~ Jm  
~~hereunder~~ (ii) continue in full force and effect notwithstanding the expiration or other termination of this Agreement or any of the Other Agreements. For the purpose of this Section, the term "Lessor" shall include (i) its directors, officers and employees and any agents acting for it or them and (ii) its successors and assigns. In the event that Lessee is required to make any payment under this Section, Lessee shall pay the Person indemnified an amount which, after deduction of all taxes required to be paid by said Person in respect of the receipt thereof under the laws of the United States or of any state or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against and of any other such taxes), shall be equal to the amount of such payment. Lessee's obligations under this Section shall be that of primary obligor irrespective of whether the Person indemnified shall also be indemnified with respect to the same or similar matters under any other instrument or agreement by any person and irrespective of any insurance policies which may be in existence with respect to the same. CW

12. Loss of or Damage to the Equipment.

(a) No loss of or damage to any Equipment shall impair any obligation of Lessee under this Agreement, which shall continue in full force and effect.

(b) In the event of damage of any kind whatsoever to any Equipment (unless the same is determined by Lessor in its sole discretion to be damaged beyond repair), Lessee, at its own cost and expense, shall place the same in good operating order, repair, condition and appearance.

(c) If any Equipment is determined by Lessor in its sole discretion to be lost, stolen, destroyed, seized, confiscated, rendered unfit for use or damaged beyond repair, Lessee shall pay Lessor therefor, on the rent installment date for such Equipment next following such determination (or, if such determination occurs after the final rent installment date therefor, then on the expiration of the lease of such Equipment), an amount equal to the Stipulated Loss Value (as hereinafter defined) for such Equipment (computed as of such rent installment date). Upon such payment and upon the payment of any unpaid rent due on or before such rent installment date for such Equipment this Agreement shall terminate with respect to such Equipment, and Lessee thereupon shall become entitled to such Equipment as-is-where-is, without recourse and without representations, warranties or agreements of any kind whatsoever. "Stipulated Loss Value" for any Equipment as of any rent installment date shall mean, when used in this Agreement, an amount determined by multiplying Acquisition Cost for such Equipment by the percentage specified in Exhibit C attached hereto opposite such rent installment date.

(d) Lessee shall notify Lessor immediately of any loss, theft, destruction, seizure, confiscation, rendering unfit for use or damage of or to any Equipment and shall keep Lessor informed of all developments arising therefrom including (without limitation) any acts by Lessee relating to the insurance on any Equipment.

13. Surrender of the Equipment. Upon the termination of this Agreement at the end of any term of the lease of any Equipment, Lessee, at its own cost and expense, shall surrender such Equipment to Lessor at the Equipment Location. Lessee shall cooperate with Lessor in effecting removal of such Equipment from Lessee's property. Such Equipment shall be surrendered by Lessee to Lessor in the same operating order, repair, condition and appearance as originally delivered to Lessee, reasonable wear and tear excepted; Lessee shall pay for any repairs necessary to restore such Equipment to such operating order, repair, condition or appearance. Upon such termination, Lessee shall allow Lessor to store such Equipment on Lessee's property for a reasonable period of time in a manner satisfactory to Lessor but at no expense to Lessor.

14. Personal Property. The Equipment is and shall remain personal property irrespective of its use or manner of attachment to real property. Lessee will not cause or permit any Equipment to be attached to real property in such manner that it might become part of such real property without first obtaining the written approval of Lessor.

15. Inspection. At all reasonable times Lessor or its authorized representatives may inspect any Equipment and the books and records of Lessee relating thereto. Lessor shall have no duty to make any such inspection and shall not incur any liability or obligation by reason of not making any such inspection.

16. Lessor's Right to Perform for Lessee. If Lessee fails to make any payment required to be made by it hereunder or fails to perform or comply with any agreement contained herein, Lessor may itself make such payment or perform or comply with such agreement. The amount of such payment and the amount of the reasonable expenses of Lessor incurred in connection with such payment or the performance of or compliance with such agreement (including, without limitation, reasonable attorneys' fees), as the case may be, together with interest thereon at the Premium Rate, shall be payable by Lessee to Lessor upon demand.

17. Further Assurances. Lessee, at its own expense, will promptly and duly execute and deliver to Lessor such further documents and assurances and take such further action (including, without limitation, any filing, recording and/or registration) as may be necessary or advisable or as Lessor may from time to time reasonably request in order to more effectively carry out the intent and purpose of this Agreement and to establish and protect Lessor's title to the Equipment and the ownership rights and remedies created or intended to be created in favor of Lessor hereunder. Lessee hereby irrevocably authorizes Lessor to file at any time and from time to time one or more Financing Statements or Continuation Statements without Lessee's signature indicating Lessor's ownership interest in the Equipment.

18. Events of Default. The following events (each an "Event of Default") shall constitute Events of Default:

(a) Lessee shall fail to make any payment of rent or of any other sum payable by Lessee hereunder within 15 days after the same shall become due; or

(b) Lessee shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure shall continue unremedied for a period of 15 days after written notice thereof by Lessor; or

(c) Any representation or warranty made by Lessee herein or in any document or certificate furnished Lessor in connection herewith or pursuant hereto shall prove to be incorrect at any time in any material respect; or

(d) Any obligation of Lessee for the payment of borrowed money, for the deferred price of property or for the payment of rent or hire under any lease shall not be paid when due, whether by acceleration or otherwise, or shall be declared due and payable prior to the maturity thereof; or Lessee shall suspend or terminate the operations of its business; or Lessee shall become insolvent or bankrupt or make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver, or a trustee or a receiver shall be appointed for Lessee or for a substantial part of its property without its consent and shall not be dismissed for a period of 60 days; or bankruptcy, reorganization or insolvency proceedings shall be instituted by or against Lessee, and, if instituted against Lessee, shall not be dismissed for a period of 60 days.

19. Remedies. Upon the occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, Lessor may, at its option, declare this Agreement to be in default, and at any time thereafter, so long as Lessee shall not have remedied all outstanding defaults, Lessor may exercise one or more of the following remedies, as Lessor in its sole discretion shall elect:

(a) Terminate this Agreement upon not less than 5 days notice to Lessee, whereupon Lessee shall, without further demand, as liquidated damages for loss of a bargain and not as a penalty, forthwith pay to Lessor any unpaid rent due on or before the rent installment date next following the termination date (or, if any such rent installment date is on such termination date, then on such date) plus an amount equal to the aggregate Termination Value (as hereinafter defined) for all of the Equipment (computed as of such rent installment date) together with interest at the Premium Rate on such amount from the effective date of termination to the date of actual payment;

(b) Cause Lessee at its expense to return the Equipment to a place designated by Lessor, or Lessor may enter upon the premises where any Equipment is located and take immediate possession of and remove such Equipment by summary proceedings or otherwise, all without liability to Lessor for or by reason of such entry or taking possession, whether for the restoration of damage to property caused by such taking or otherwise;

(c) Sell any or all of the Equipment at public or private sale and with or without notice to Lessee or advertisement, as Lessor may in its sole discretion determine, and Lessee shall forthwith pay to Lessor an amount equal to any unpaid rent due on or before the rent installment date for such Equipment next following the date of such sale (or, if

any such rent installment date is on the date of such sale, then on such date) plus any deficiency between proceeds of such sale and the Termination Value for such Equipment (computed as of such rent installment date), together with interest at the Premium Rate on the amount of such deficiency from the date of such sale until the date of actual payment;

(d) Hold, use, operate, lease or keep idle any or all of the Equipment as Lessor in its sole discretion may determine, without any duty to account to Lessee with respect to any such action or inaction or for any proceeds thereof, except that the net proceeds of any such holdings, using, operating or leasing shall be credited by Lessor against any rent accruing after Lessor shall have declared this Agreement to be in default pursuant to this Section; and/or

(e) Rescind this Agreement as to any or all of the Equipment, or exercise any other right or remedy which may be available under applicable law or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof.

In addition, Lessee shall be liable for the payment of any and all other obligations due hereunder before or after any termination hereof, including, without limitation, all costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by reason of the occurrence of any Event of Default and the exercise of Lessor's remedies with respect thereto. No remedy referred to in this Section is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity and the exercise or beginning of exercise by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor of any or all such other remedies; except that satisfaction by Lessee of its obligations under Subsections (a) or (c), as the case may be, with respect to any Equipment shall preclude Lessor from thereafter exercising any other remedy provided by such Subsections (a) or (c) with respect to such Equipment. No waiver by Lessor of any Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default. "Termination Value" for any Equipment as of any rent installment date shall mean, when used in this Agreement, an amount determined by multiplying Acquisition Cost for such Equipment by the percentage specified in Exhibit D attached hereto opposite such rent installment date.

20. Notices. Unless otherwise expressly specified or permitted by the provisions hereof, all notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been given or made when deposited in the mails, postage prepaid, or, in the case of telegraphic notice, when delivered to the telegraph company, addressed (i) if to Lessee, at the address specified in Exhibit A, or at such other address as Lessee shall from time to time designate in writing to Lessor, or (ii) if to Lessor, at 280 Park Avenue, New York, New York 10017 or at such other address as Lessor shall from time to time designate in writing to Lessee. No other method of giving notice is hereby precluded.

21. Assignment by Lessor. This Agreement, title to the Equipment and/or any rents or other sums due or to become due hereunder may be transferred or assigned by Lessor without notice, and in such event Lessor's transferee or assignee shall have all the rights, powers, privileges and remedies of Lessor under this Agreement.

22. Miscellaneous. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect. This Agreement constitutes the entire agreement between the parties and no term or provision of this Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which the enforcement of the change, waiver, discharge or termination is sought. This Agreement shall constitute an agreement of lease and nothing herein shall be construed as conveying to Lessee any right, title or interest in the Equipment except as a lessee only. The captions in this Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof. This Agreement shall in all respects be governed by, and construed in accordance with, the law of the State of New York, including all matters of construction, validity and performance. This Agreement shall be binding upon and inure to the benefit of Lessor and Lessee and their successors and, subject to Section 8 (d), their assigns. To the extent, if any, that this Agreement constitutes chattel paper (as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction), no security interest in this Agreement may be created through the transfer or possession of any counterpart other than the original counterpart hereof (which shall be the counterpart bearing the legend "This is the original counterpart of the within Agreement" together with the certification of an officer of Lessor to such effect on the signature page thereof).

IN WITNESS WHEREOF, Lessor and Lessee have caused this Agreement to be duly executed as of the date first above written.

LESSOR

BT EQUIPMENT LEASING, INC.

LESSEE

MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

By

(Title)

ADDITIONAL TERMS AND CONDITIONS  
OF EQUIPMENT LEASE AGREEMENT

The following terms and conditions supplement, and are a part of, the Equipment Lease Agreement (the "Agreement") dated as of March 7, 1978 to which this Exhibit A is attached:

1. Definitions. The following terms shall have the meanings herein specified unless the context otherwise requires. Defined terms shall include in the singular number the plural and in the plural number the singular.

"(a) 'Acquisition Cost' of any Equipment shall mean an amount equal to the sum of all amounts paid by Lessor in respect of the purchase price of the Equipment, which sum shall be \$3,410,000.00.

"(b) 'Bill of Sale' shall mean an agreement in the form of Exhibit D attached hereto conveying all of Lessee's right, title and interest in the Equipment to Lessor.

"(c) 'Equipment' shall mean the following property:

<u>Quantity</u>	<u>Description</u>	<u>Lessee Car Numbers</u>
100	70 ton, 50' 6", single sheathed, outside posts, rigid underframe, plate C, general purpose box cars	MPA 7500-7599 (inclusive)

"(d) 'Stipulated Loss Value' for any Equipment as of any rent installment date shall mean an amount determined by multiplying the Acquisition Cost of the Equipment by the percentage specified in Exhibit B attached hereto for such rent installment date.

"(e) 'Final Delivery Date' shall mean the earlier of  
 (i) the last date on which any Equipment is accepted by Lessee or  
 (ii) August 31, 1978.

"(f) 'Interstate Commerce Act' shall mean the Interstate  
 Commerce Act, as amended.

"(g) 'ICC' shall mean the Interstate Commerce Commission.

"(h) 'Person' shall mean and include any person, firm,  
 corporation, association, trust or other enterprise or any govern-  
 mental or political subdivision, or any agency, department or instru-  
 mentality thereof.

"(i) 'Premium Rate' shall mean the greater of (i) 12%  
 or (ii) 125% of the prime commercial loan rate in effect at Bankers  
 Trust Company, New York, at the time of the computation of the Premium  
 Rate.

"(j) 'Seller' shall mean Emons Railcar Corp.

"(k) 'Termination Value' for any Equipment as of any rent  
 installment date shall mean an amount determined by multiplying the  
 Acquisition Cost of the Equipment by the percentage specified in Ex-  
 hibit B attached hereto for such rent installment date.

"(l) 'Transaction Rate' shall mean 2 1/4% per annum over  
 the best rate which Bankers Trust Company charges at its principal  
 office on 90-day unsecured commercial loans to its most substantial  
 commercial borrowers, and which rate is in effect on the rent install-  
 ment date (as defined herein) next preceding the rent installment date  
 on which a rental payment is due and payable."

2. Acquisition, Delivery and Acceptance of the Equipment.

Section 2 is hereby amended in its entirety to read as follows:

"(a) Seller will convey all of its rights, title and interest in the Equipment pursuant to a bill of sale (the "Bill of Sale") in the form of Exhibit D attached hereto.

(b) Lessor shall have no obligation to the Lessee, Seller, or any other person under this Agreement or any other agreement with respect to the Equipment, other than to pay to Seller the agreed upon Acquisition Cost of the Equipment. All costs of freight, packing, insurance, handling, storage, shipment and delivery of the Equipment shall be paid by Lessee.

(c) Simultaneously with the delivery to Lessor by Seller of the Bill of Sale, Lessee shall execute and deliver to Lessor an Acceptance Certificate (the "Acceptance Certificate") in the form of Exhibit C hereto, constituting Lessee's acknowledgement that: (i) Lessee has fully inspected the Equipment; (ii) the Equipment is in good condition and repair, is of the manufacture, design and specifications selected by Lessee and is suitable for Lessee's purposes; (iii) such Equipment is in full compliance with the Agreement and Lessee has accepted such Equipment hereunder; (iv) Lessor has made no representation, warranty of any kind with respect to the Equipment, and (v) Lessee is in possession of the Equipment, except to the extent that any of the Equipment may have been subject to normal interchange agreements, in each case customary in the railroad industry and entered into by the Lessee in the ordinary course of its business with other railroads.

(d) In the event that Lessee shall have failed or shall fail for any reason to execute and deliver for any of the Equipment an Acceptance Certificate, Lessee shall, on demand by Lessor, forthwith pay Lessor any amounts theretofore paid or then owing by Lessor to any person in respect of the Equipment, pursuant to this Agreement or otherwise, together with a handling charge in the amount specified in Exhibit A. Upon such payment Lessee shall become (i) subrogated to Lessor's claims (if any) against each such person and (ii) entitled to the Equipment as-is-where-is without representations, warranties or agreements of any kind with respect to such Equipment.

3. Representations and Warranties of Lessee. Section 4 of the Agreement is hereby amended as follows:

(a) Section 4(a) is amended by deleting the following parenthetical material which appears in the third and fourth lines: "(wherein the Equipment will be located)". This section is further amended by deleting the words "in connection with this Agreement" and inserting the following in lieu thereof: ", and has taken all necessary corporate action (including, without limitation, any consent of stockholders required by law or by the Certificate of Incorporation or By-Laws of Lessee) to authorize the execution and delivery of this Agreement and has obtained any approval, authorization or consent required by any governmental or public body, or authority, including (without limitation) the ICC pursuant to Section 20a of the Interstate Commerce Act, in connection therewith:

(b) Sections 4(f) and 4(g) are hereby deleted in their entirety.

4. Title, Possession and Use of the Equipment. Section 8 of the Agreement is hereby amended as follows:

(a) Sections 8(c) and 8(d) are deleted in their entirety and the following subdivisions inserted in lieu thereof:

"(c) The Equipment shall be used only in the continental United States, Mexico and the Dominion of Canada, provided, however, that the Equipment shall be used predominantly in the continental United States.

"(d) Without the prior written consent of Lessor, Lessee shall not (i) sublease, part with possession of, or otherwise transfer or dispose of, any Equipment, except that Lessee may subject any Equipment to normal interchange agreements, in each case customary in the railroad industry and entered into by Lessee in the ordinary course of its business with railroads, provided that no such agreement contemplates or requires the transfer of title to any such Equipment and the rights of the other parties to such agreement are subject and subordinate to the rights of the Lessor under this Agreement; (ii) contract, create, incur, assume or suffer to exist any claim, mortgage, pledge, lien, security interest or other charge or encumbrance of any kind upon or with respect to any Equipment or any of its rights under this Agreement; or (iii) sell, assign, transfer or otherwise dispose of its rights under this Agreement."

5. Lease Term. The interim term ("Interim Term") of the lease for any Equipment shall commence on the earlier of the date on which any payment is made by Lessor in respect of the Acquisition Cost of such Equipment or the date on which such Equipment shall have been accepted by Lessee, as evidenced by the execution and delivery to Lessor by Lessee of an Acceptance Certificate substantially in the form of Exhibit C attached hereto, and shall continue through the Final Delivery Date. The basic term of the lease (the "Basic Term") shall commence on the date next following the Final Delivery Date (the "Commencement Date") and shall continue for fifteen years thereafter.

6. Rent. Lessee shall pay Lessor rent during the Basic Term in 60 consecutive quarterly payments commencing on the first quarterly anniversary date of the Commencement Date for such Equipment and continuing on each quarterly anniversary date thereafter (such rental payment dates herein called rent installment dates) as follows: payments 1 through 28 each in an amount equal to 3.2354% of the Acquisition Cost of such Equipment; payments 29 through 60 each in an amount equal to the sum of (a) an amount determined by multiplying the Acquisition Cost of the Equipment by the percentage specified in Exhibit F attached hereto for such rent installment date; plus (b) an amount determined by multiplying the Acquisition Cost of the Equipment by the percentage specified in Exhibit E for the next preceding rent installment date and then multiplying that product by the fraction: Transaction Rate.

7. Interim Rent. In the event Lessor shall pay a deposit or part payment(s) in respect of the Acquisition Cost, Lessee shall pay Lessor as Interim Rent on a monthly basis, an amount equal to .027778% per day of the total of such payment(s), beginning with the date of any such payment, and ending on the Commencement Date.

8. Improvement and Repair of the Equipment. Section 9 of the Agreement is hereby amended by inserting the following new sentence at the end thereof: "Anything contained in this Section to the contrary notwithstanding, Lessee shall at all times comply in all respects with all laws of the jurisdiction in which operations involving the Equipment may extend, with the interchange and the other rules of the Association of American Railroads (or any successor thereto) and with all lawful rules and regulations of the Department of Transportation and the ICC and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, to the extent that such laws, rules or regulations affect the operation, maintenance or use of the Equipment or any additional equipment or appliance thereof; and in the event that such laws, rules or regulations require alteration of the Equipment, Lessee will conform therewith, at its own cost and expense, and will maintain the Equipment in proper condition for operation under such laws, rules and regulations."

9. Further Assurances. Section 17 of the Agreement is hereby amended in its entirety to read as follows:

"17. Filing and Further Assurances. If requested by Lessor, Lessee shall, at its expense, promptly (i) cause this Agreement, each Acceptance Certificate and any amendments or supplements hereto or

thereto to be duly filed for recordation with the ICC in accordance with the provisions of Section 20c of the Interstate Commerce Act; (ii) execute, deliver, acknowledge, file, record and register such further documents and assurances and take such further action as may be necessary or advisable or as Lessor may from time to time reasonably request in order to more effectively carry out the intent and purpose of this Agreement and to establish and protect Lessor's title to the Equipment and the ownership rights and remedies created or intended to be created in favor of Lessor hereunder; and (iii) furnish, or cause to be furnished, to Lessor certificates or other evidences of such filing, registration and/or recording and an opinion or opinions of counsel for Lessee, in form and substance satisfactory to Lessor, with respect thereto."

10. Loss of or Damage to the Equipment. Section 12 of the Agreement is hereby amended by deleting Sections 12(b) and (c) in their entirety and inserting the following in lieu thereof:

"(b) In the event of damage of any kind whatsoever to any Equipment (unless the same is determined to be damaged beyond repair), Lessee, at its own cost and expense, shall place the same in good operating order, repair and condition."

"(c) If any Equipment is determined to be lost, stolen, destroyed, seized, confiscated, rendered unfit for use or damaged beyond repair (such occurrences hereinafter called Casualty Occurrences) during the term of this Agreement, Lessee shall, within 8 days from the date of such determination, notify Lessor with respect thereto. On the rent installment date next succeeding such notice (or in the event such rental payment shall occur within ten days after such notice, on the

following rent installment date) the Lessee shall pay to Lessor an amount equal to the sum of the unpaid rent due on or before such rent installment date for such Equipment plus the Stipulated Loss Value (as herein defined) of such Equipment as of such rent installment date. Upon such payment this Agreement shall terminate with respect to such Equipment, and Lessee shall become entitled to such Equipment as-is-where-is, without recourse and without representations or warranties of any kind whatsoever. Anything contained in this paragraph notwithstanding, this Agreement shall continue in full force and effect and Lessee shall continue to perform all its obligations hereunder (including, without limitation, its obligation to pay rent) with respect to such Equipment until such payment shall have been received by Lessor."

11. Notices. The address for Lessee referred to in Section 20 of the Agreement is 490 E. Market Street, York, Pennsylvania 17403.

12. Additional Sections. The following additional sections are hereby added to the Agreement:

"23. Purchase Option. Provided that this Agreement has not been earlier terminated and Lessee is not in default hereunder, Lessee shall have the right upon written notice to Lessor, to purchase all, but not less than all the Equipment, as-is-where-is, at the end of the Basic Term, upon payment to Lessor at the time of such purchase of an amount equal to \$1.00

"24. Marking of Equipment. Lessee agrees, as convenient, to cause to be placed on each side of such Unit, in letters not less than one inch in height, the following legend:

BT Equipment Leasing, Inc.  
Owner-Lessor

In case during the continuance of this Agreement any of such marks shall at any time be removed, defaced, destroyed or become illegible in whole or in part, Lessee will, at its own cost and expense, immediately cause the same to be restored or replaced. Lessee will cause each Unit of the Equipment to be kept numbered with the identifying number thereof as set forth in each Equipment Lease, and will not permit the number of any such Units to be changed except with the consent of Lessor and in accordance with a statement of new numbers to be substituted therefor, which consent and statement previously shall have been filed with Lessor by Lessee and filed, registered and recorded in all public offices where this Agreement (and/or any Financing Statements relating thereto) shall have been filed, registered and/or recorded. Lessee will not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership thereof by any person other than Lessor, but Lessee may letter the Equipment with such names or initials or other insignia as are customarily used by Lessee on its cars of the same or similar type for convenience of identification of the right of Lessee to use and operate the Equipment under this Agreement."

"25. Whenever requested by Lessor, but not more than once in each year during the Basic Term, Lessee shall deliver to Lessor a certificate, signed by the President or any Vice President of Lessee, accurately listing and identifying by road numbers each 50-foot box car included in the Equipment and describing in particular (i) the number and identification of each box car then in actual service, (ii) the number and identification of each box car that has been lost, stolen, destroyed, seized, confiscated, rendered unfit for use or damaged beyond

repair and (iii) the number and identification of each box car then undergoing repairs. Such certificate shall contain such other information regarding the condition and state of repair of the Equipment as Lessor shall reasonably request and shall also contain a statement to the effect that Lessee has duly complied with the provisions of Section 8(e) and Section 24.

26. Early Termination. Provided that no Event of Default, or any other event which with the giving of notice or lapse of time would constitute an Event of Default, shall have occurred and be continuing, Lessee shall have the option upon not less than thirty days' prior written notice to Lessor, to terminate this Agreement on any rent installment date by paying to Lessor an amount equal to the sum of (x) the Termination Value, as defined herein, for the Equipment as of such rent installment date and (y) any unpaid rent due on or before such rent installment date. Upon such payment this Agreement shall terminate and Lessee thereupon shall become entitled to the Equipment as-is-where-is, without recourse and without representation, warranties or agreements of any kind whatsoever, free and clear, however, of any claims, liens and encumbrances arising out of or relating to any action or conduct on the part of Lessor.

27. Insurance. Section 10 of the Agreement is hereby amended in its entirety to read as follows:

"10. Insurance. Lessee shall at all times carry and maintain on the Equipment, at its own cost and expense, insurance, if any, in such amounts and against such risks as are usually maintained by companies in similar business as the Lessee."

28. Covenant. Emons Industries, Inc. shall not permit at anytime during the Basic Term, without the prior written consent of Lessor, the ratio of its liabilities, determined on a consolidated basis and in conformity with generally accepted accounting principles applied on a basis consistent with past practices, excluding liabilities subordinated to this Agreement, to consolidated net worth plus (i) such subordinated liabilities and (ii) any excess of book value of assets acquired over cost relating to the acquisition of the shares of the Maryland and Pennsylvania Railroad Company, if any, less (iii) good will, if any, to be greater than three to one.

LESSOR:

BT EQUIPMENT LEASING, INC.

By

(Title)

LESSEE:

MARYLAND AND PENNSYLVANIA  
RAILROAD COMPANY

By

(Title)

Schedule of Stipulated Loss and Termination Values

<u>Rent Installment</u>	<u>Percentage of Acquisition Cost</u>	<u>Rent Installment</u>	<u>Percentage of Acquisition Cost</u>
1	99.26	31	66.17
2	98.51	32	64.59
3	97.74	33	62.97
4	96.95	34	61.31
5	96.13	35	59.61
6	95.30	36	57.86
7	94.45	37	56.08
8	93.58	38	54.24
9	92.68	39	52.36
10	91.76	40	50.44
11	90.82	41	48.46
12	89.86	42	46.44
13	88.87	43	44.36
14	87.85	44	42.24
15	86.81	45	40.06
16	85.75	46	37.82
17	84.66	47	35.53
18	83.54	48	33.19
19	82.39	49	30.78
20	81.22	50	28.32
21	80.01	51	25.79
22	78.78	52	23.20
23	77.51	53	20.54
24	76.21	54	17.82
25	74.88	55	15.03
26	73.52	56	12.17
27	72.12	57	9.24
28	70.69	58	6.24
29	69.22	59	3.16
30	67.72	60	.00

ACCEPTANCE CERTIFICATE  
(EQUIPMENT LEASE)

This has reference to the Equipment Lease Agreement dated as of March 7, 1978  
("Agreement") between ET Equipment Leasing, Inc.  
\_\_\_\_\_ and the undersigned, as Lessee. The terms used herein which are defined in  
the Agreement shall have the same meanings as are provided therefor in the Agreement.

The undersigned hereby certifies that the following equipment (the "Delivered Equipment") was delivered to  
the undersigned at the Equipment Location on the date set forth below and is now located there:

<u>Quantity</u>	<u>Description</u>	<u>Car Numbers</u>
100	70 ton, 50' 6", single sheathed, outside posts, rigid underframe, plate C, general purpose box cars	MFA 7500-7599 (inclusive)

The undersigned hereby confirms each of the acknowledgements set forth in the Agreement with respect to the  
Delivered Equipment.

LESSEE MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

by \_\_\_\_\_  
(Title)

Dated: \_\_\_\_\_, 19\_\_

Bill of Sale

Emons Railcar Corp. (herein called "Seller"), in consideration of the sum of One Dollar and other good and valuable consideration paid by BT Equipment Leasing, Inc. (herein called "Buyer"), does hereby grant, bargain, sell, transfer and set unto Buyer, its successors and assigns, the following items of equipment (herein called the "Equipment") which has been delivered by various suppliers:

<u>Quantity</u>	<u>Description</u>	<u>Car Numbers</u>
100	70 ton, 50' 6", single sheathed, outside posts, rigid underframe, plate C, general purpose box cars	MPA 7500-7599 (inclusive)

To have and to hold all and singular the Equipment to Buyer its successors and assigns, for its and their own use and behalf forever.

And Seller hereby warrants to Buyer, its successors and assigns, that Seller has legal title to the Equipment and good and lawful right to sell the Equipment and title to the Equipment is free and clear of all claims, mortgages, pledges, liens, security interests, charges and encumbrances of any nature whatsoever.

IN WITNESS WHEREOF, Seller has caused this instrument to be executed in its name by a duly authorized officer and its corporate seal to be hereunder affixed, duly attested, the \_\_\_\_\_ day of \_\_\_\_\_, 1978.

By \_\_\_\_\_

SEAL

## EXHIBIT F

Rent InstallmentPercentage of Acquisition Cost

29	1.47
30	1.50
31	1.54
32	1.58
33	1.62
34	1.66
35	1.70
36	1.75
37	1.79
38	1.83
39	1.86
40	1.93
41	1.97
42	2.02
43	2.07
44	2.13
45	2.18
46	2.23
47	2.29
48	2.35
49	2.41
50	2.47
51	2.53
52	2.59
53	2.66
54	2.72
55	2.79
56	2.86
57	2.93
58	3.00
59	3.08
60	3.16

multiply the product  
by:  
Transaction Rate  
4

LESSEE CERTIFICATE OF RESOLUTIONS  
(EQUIPMENT LEASE)

I, Robert Grossman, Secretary of Maryland and Pennsylvania Railroad Company (the "Company"), do hereby certify that:

1. There exists no condition, event or act which would constitute an Event of Default under the Equipment Lease Agreement (the "Equipment Lease Agreement") dated as of March 7, 1978 between BT Equipment Leasing, Inc. (the "Lessor") and the Company and no condition, event or act which, with the giving of notice or lapse of time, or both, would constitute an Event of Default.

2. All representations and warranties made by the Company contained in the Equipment Lease Agreement or otherwise made in connection therewith are true and correct and with the same effect as though such representations and warranties had been made on and as of the date of this Certificate.

3. The following persons have been duly elected, and have duly qualified as officers of the Company, holding the offices set forth below opposite their respective names, authorized to execute and deliver the Equipment Lease Agreement and all of the documents referred to therein:

<u>Title</u>	<u>Name</u>
Chairman of Board	Harold Grossman
President	Herman Lazarus
Vice-Pres.; Treasurer	Joseph W. Marino
Vice-Pres.; Secretary	Robert Grossman

Signature

*[Handwritten signatures of Harold Grossman, Herman Lazarus, Joseph W. Marino, and Robert Grossman]*

4. The following resolutions were duly adopted at a meeting of the Board of Directors of the Company, duly called and held on March 30, 1978, at which a quorum was present and voting throughout, and said resolutions have not been rescinded, amended or modified in any way and remain in full force and effect as of the date of this Certificate:

RESOLVED, that the form of Equipment Lease Agreement (including all exhibits hereto), dated as of March 7, 1978 between BT Equipment Leasing, Inc.

(the "Lessor") and this Company, as submitted to this meeting, providing for the leasing by this Company of certain equipment therein specified, is hereby approved, that the President or any Vice President of this Company be and each of them severally is hereby authorized to execute and deliver to the Lessor the Equipment Lease Agreement and such other documents and papers therein referred to, in substantially the form hereby approved, with such changes as said officer may approve, such approval to be evidenced conclusively by his execution and delivery of the same, and that this Company lease the equipment referred to in, and enter into the transactions contemplated by, the Equipment Lease Agreement; and

RESOLVED FURTHER, that the President or any Vice President of this Company be and each of them severally is hereby authorized to execute and deliver to the Lessor such certificates, instruments, agreements and other papers and documents as are referred to in the Equipment Lease Agreement or as may be required in connection therewith or contemplated thereby and to take such further action as may be necessary or proper in order to consummate the matters authorized in this and the preceding resolution; and

RESOLVED FURTHER, that the Equipment Lease Agreement as presented to this meeting be and it hereby is ordered filed with the records of the meeting.

Attached hereto as Exhibit A is a true and correct copy of the Equipment Lease Agreement (including all exhibits thereto) referred to in the aforesaid resolutions in the form presented to and approved by the Board of Directors of the Company at the aforesaid meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Company this 17th day of April, 1978.

[SEAL]

*Robert Grossman*  
Secretary

## CORPORATE GUARANTY

### (EQUIPMENT LEASE)

In order to induce BT Equipment Leasing, Inc.  
(herein called "Lessor"), to enter into the Equipment Lease Agreement (herein called the "Agreement") dated as of March 7, 19 78 with Maryland and Pennsylvania Railroad Company, a Maryland & Pennsylvania corporation (herein called "Lessee"), to enter into the other instruments and agreements referred to therein and to acquire the Equipment (as defined in the Agreement), and lease same to Lessee in the manner contemplated by the Agreement, and in consideration thereof and of the benefits to accrue to the undersigned arising out of the transactions contemplated by the Agreement, the undersigned hereby makes the following representations and warranties to Lessor and hereby covenants and agrees with Lessor as follows:

1. The undersigned irrevocably and unconditionally guarantees to Lessor payment when due (whether by acceleration or otherwise) of all amounts to be paid by Lessee under, and the prompt and faithful observance and performance by Lessee of all of the conditions, covenants, agreements and other obligations and liabilities of Lessee contained in, the Agreement and all of the agreements and instruments referred to therein or contemplated thereby, including (without limitation) each Equipment Lease (as defined in the Agreement). All of such amounts, conditions, covenants, agreements and other obligations and liabilities are herein collectively called the "Guaranteed Obligations".

2. The undersigned waives notice of acceptance of this Guaranty and notice of any liability to which it may apply, and waives presentment, demand of payment, protest, notice of dishonor or nonpayment of any such liabilities, suit or taking other action by Lessor against, and any other notice to, any party liable thereon (including the undersigned).

3. Lessor may at any time and from time to time without the consent of, or notice to, the undersigned, without incurring responsibility to the undersigned, without impairing or releasing the obligations of the undersigned hereunder, upon or without any terms or conditions and in whole or in part:

(a) change the manner, place or terms of payment, observance and/or performance of, and/or change or extend the time of payment, observance and/or performance of, renew or alter, any of the Guaranteed Obligations, any security therefor, or any liability incurred directly or indirectly in respect thereof, and the guaranty herein made shall apply to the Guaranteed Obligations as so changed, extended, renewed or altered;

(b) sell, exchange, release, surrender, realize upon or otherwise deal with in any manner and in any order any property by whomsoever at any time pledged or mortgaged to secure, or howsoever securing, the Guaranteed Obligations or any liabilities (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and/or any offset thereagainst;

(c) exercise or refrain from exercising any rights against Lessee or others (including the undersigned) or otherwise act or refrain from acting;

(d) settle or compromise any of the Guaranteed Obligations, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment, observance and/or performance of all or any part thereof to the payment of any liability (whether due or not) of Lessee to creditors of Lessee other than Lessor and the undersigned;

(e) apply any sums by whomsoever paid or howsoever realized to any liability or liabilities of Lessee to Lessor regardless of what liability or liabilities of Lessee remain unpaid;

(f) consent to or waive any breach of, or any act, omission or default under, the Agreement or any of the instruments or agreements referred to therein; and/or

(g) modify or amend in any manner any of the provisions of the Agreement or any of the instruments or agreements referred to therein.

4. No invalidity, irregularity or unenforceability of all or any part of the Guaranteed Obligations or of any security therefor shall affect, impair or be a defense to this Guaranty, and this Guaranty is a primary obligation of the undersigned.

5. If and to the extent that the undersigned makes any payment to Lessor or to any other person pursuant to or in respect of this Guaranty, any claim which the undersigned may have against Lessee by reason thereof shall be subject and subordinate to the prior payment, observance and/or performance in full of all of the Guaranteed Obligations.

6. So long as the Agreement is in effect and until all of the Guaranteed Obligations and all of the liabilities and obligations of the undersigned under this Guaranty are discharged and/or paid in full, the undersigned will furnish Lessor with reasonable promptness such financial statements and such other information respecting the business, operations and financial condition of the undersigned as Lessor may from time to time reasonably request.

7. The undersigned makes the following representations and warranties which shall survive the execution and delivery of this Guaranty:

(a) The undersigned is a duly organized and validly existing corporation in good standing under the laws of the State of New York and has the corporate power and authority to own its property and assets and to transact the business in which it is engaged or presently proposes to engage. The undersigned is duly qualified or licensed as a foreign corporation in good standing in every jurisdiction in which the nature of the business in which it is engaged makes such qualification or licensing necessary.

(b) The undersigned has the corporation power and authority to execute, deliver and carry out the terms and provisions of this Guaranty, and the undersigned has taken all necessary corporate action (including, without limitation, any consent of stockholders required by law or by its Certificate of Incorporation or By-Laws) to authorize the execution and delivery of this Guaranty.

(c) There are no actions, suits or proceedings pending, or to the knowledge of the undersigned threatened, against or affecting the undersigned before any court or before any governmental or administrative body or agency which might result in any material adverse change in the operations, business, property or assets or in the condition (financial or otherwise) of the undersigned.

(d) Neither the execution and delivery of this Guaranty, nor the consummation of the transactions herein contemplated, nor compliance with the terms and provisions hereof, will contravene any provision of law, statute, rule or regulation to which the undersigned is subject or any judgment, decree, franchise, order or permit applicable to the undersigned, or will conflict or will be inconsistent with, or will result in any breach of, any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, security interest, charge or encumbrance upon any of the property or assets of the undersigned pursuant to the terms of, any indenture, mortgage, deed of trust, agreement or other instrument to which the undersigned is a party or by which it may be bound, or to which it may be subject, or violate any provision of the Certificate of Incorporation, By-Laws or any preferred stock agreement of the undersigned. 98-870

(e) The undersigned owns 93 % of the issued and outstanding shares of capital stock of Lessee, free and clear of all liens, security interests, charges and encumbrances of any kind. *Key*

(f) No consent or approval of, or exemption by, any governmental or public body or authority is required to authorize, or is required in connection with the execution, delivery and performance of, this Guaranty or of any of the instruments or agreements herein referred to, or the taking of any action hereby or thereby contemplated. *See*

8. Upon the occurrence of an Event of Default (as defined in the Agreement), Lessor is hereby authorized at any time or from time to time, without notice to the undersigned or to any other person, any such notice being hereby expressly waived, to set off and to appropriate and apply any and all deposits (general or special) and any other indebtedness at any time held or owing by Lessor to or for the credit or the account of the undersigned against and on account of the obligations and liability of the undersigned to Lessor under this Guaranty, irrespective of whether or not Lessor shall have made any demand hereunder and although said obligations, liabilities or claims, or any of them, shall be contingent or unmatured.

9. This Guaranty is a continuing one and all liabilities to which it applies or may apply under the terms hereof shall be conclusively presumed to have been created in reliance hereon. No delay on the part of Lessor in exercising any of its options, powers or rights, or partial or single exercise thereof, shall constitute a waiver thereof. No waiver of any of its rights hereunder, and no modification or amendment of this Guaranty, shall be deemed to be made by Lessor unless the same shall be in writing, duly signed on behalf of Lessor, and each such waiver (if any) shall apply only with respect to the specific instance involved, and shall in no way impair the rights of Lessor or the obligations of the undersigned to Lessor in any other respect at any other time. This Guaranty and the rights and obligations of Lessor and of the undersigned hereunder shall be governed and construed in accordance with the law of the State of New York; and this Guaranty is binding upon the undersigned, its successors or assigns, and shall inure to the benefit of Lessor and its successors or assigns. The term "Lessor" includes any agent acting for Lessor.

10. The undersigned acknowledges receipt of an executed counterpart of the Agreement.

11. All requests, demands or other communications pursuant hereto shall be in writing addressed as follows: (i) if to Lessor, at its office set forth in the Agreement; and (ii) if to the undersigned, at its office at 490 East Market Street, York, Pennsylvania 17403. No other method of giving notice is hereby precluded.

IN WITNESS WHEREOF, the undersigned has caused this Guaranty to be duly executed and delivered as of April 17, 1978.

[SEAL]


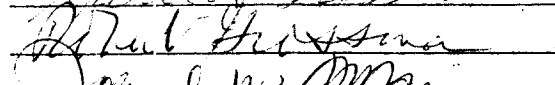
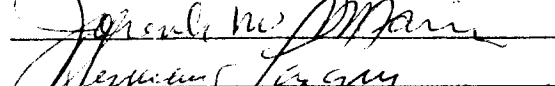
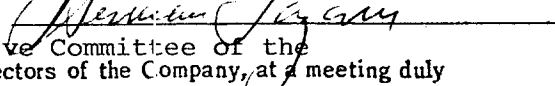
EMONS INDUSTRIES, INC.  
Guarantor  
By Richard Epstein, President  
Title

# GUARANTOR CERTIFICATE OF RESOLUTIONS

## (EQUIPMENT LEASE)

I, Herman Lazarus, Secretary of Emons Industries, Inc., (a corporation duly organized and existing under the laws of the State of New York) (herein called the "Company"), do hereby certify that:

1. The following persons have been duly elected, have duly qualified as officers of the Company, holding the offices set forth below opposite their respective names, authorized to execute and deliver the Guaranty of the Equipment Lease Agreement dated as of March 7, 1978 between BT Equipment Leasing, Inc., as Lessor, and Maryland and Pennsylvania Railroad Company, as Lessee:

<u>Title</u>	<u>Name</u>	<u>Signature</u>
Chairman of the Board	Harold Grossman	
President	Robert Grossman	
Executive Vice President	Joseph W. Marino	
Vice President & Secretary	Herman Lazarus	

Executive Committee of the  
2. The following resolutions were duly adopted by the Board of Directors of the Company, at a meeting duly called and held on April 13, 1978, at which a quorum was present and voting throughout, and such resolutions have not been rescinded, amended or modified and remain in full force and effect:

RESOLVED, that the Equipment Lease Agreement (including all exhibits thereto) dated as of March 7, 1978 (herein called the "Agreement") between BT Equipment Leasing, Inc., as lessor (herein called the "Lessor"), and Maryland and Pennsylvania Railroad Company, as lessee (herein called the "Lessee"), presented to this meeting and ordered filed with the records of the Company be, and they hereby are in all respects, authorized and approved; and

FURTHER RESOLVED, it being in the Company's best interests, and economically beneficial to the Company for the Lessee to enter into the transactions contemplated by the Agreement, that the Company guarantee to the Lessor, substantially upon the terms and conditions set forth in the Guaranty, performance and payment when due of all of the liabilities and obligations of the Lessee under the Agreement and under each of the instruments, agreements and documents referred to therein or contemplated thereby; and

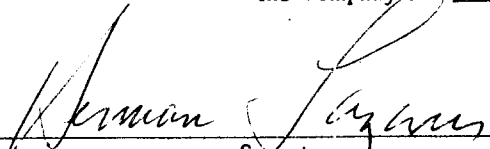
FURTHER RESOLVED, that the President or any Vice President of the Company be, and any one of them acting alone hereby is, authorized and directed to execute and deliver, in the name and in behalf of the Company, the Guaranty in the form presented to this meeting with such changes, deletions, additions and alterations therein or thereto as the officer executing the same may determine to be advisable and approve, and that the execution and delivery thereof by an officer authorized to execute the same shall be conclusive evidence, binding upon the Company, of such determination and approval by such officer and of approval thereof by the Directors of the Company; and

FURTHER RESOLVED, that the officers of the Company be, and any one of them acting alone hereby is, in the name and in behalf of the Company, authorized, empowered and directed to make, sign, execute, acknowledge, deliver, file, record and publish any and all orders, directions, notices, requests, receipts, certificates, financing statements, continuation statements or other instruments, papers and documents and to do and perform all such acts and things as may be necessary or convenient or advisable or proper to carry out the foregoing resolutions, the transactions contemplated thereby, the terms and provisions of the Guaranty, of the Agreement and of each of the other instruments, agreements and documents referred to therein or contemplated thereby.

3. Attached hereto are true and correct copies of the Equipment Lease Agreement (including all exhibits thereto) referred to in the aforesaid resolutions in the form presented to and approved by the Board of Directors of the Company at the aforesaid meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Company this 17th day of April, 1978.

[SEAL]

  
Secretary

**Interstate Commerce Commission**  
Washington, D.C. 20423

5/18/78

OFFICE OF THE SECRETARY

**BT Equipment Leasing, Inc.**  
280 Park Avenue, 9W  
New York, N.Y. 10017


Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act,

49 U.S.C. 20(c), on **5/17/78** at **3:40pm**,

and assigned recordation number(s) **9385**

Sincerely yours,

  
H.G. Homme, Jr.  
Acting Secretary

Enclosure(s)

SE-30-T  
(6/77)